

MOTOR VEHICLE DEALER BOARD MINUTES

December 18, 2018

The regular meeting of the Dealer Board was held at the Department of Revenue offices, Lakewood, Colorado. The following board members appeared telephonically:

BOARD MEMBERS:

Carrie Baumgart
Fletcher Flower
Ramona Graves Bode
Lucky Heggs
John Linton
Steven Perkins
Matthew Porter
Jason White
Michael Widhalm

MEMBERS ABSENT:

SENIOR DIRECTOR OF ENFORCEMENT:

Cory Amend

EXECUTIVE SECRETARY:

Bruce Zulauf

LEGAL ASSISTANT:

Beth Spellerberg

**DEPT OF REVENUE,
AID, ENFORCEMENT
DIVISION STAFF:**

Chris Rouze
Chris Hartman
Gloria Breeden
John Opeka
Frank Agos
Josh Dexter
Arleen Criddell Tapanen

ATTORNEY GENERAL'S OFFICE:

Brad Jones, General Counsel

VISITORS:

Todd O'Connell, CIADA
Matthew Groves, CADA
Art Erwin, Christopher's Dodge World
Jeremy Paul Salazar

President, Steven Perkins, opened the meeting of December 18, 2018 at 9:04 a.m. Mr. Perkins turned the floor over to Executive Secretary, Bruce Zulauf.

AGENDA REVIEW AND ANNOUNCEMENTS

Mr. Zulauf informed the Board there were no changes to the agenda as posted. Group 2 rules became effective three days ago and have been integrated into the Secretary of State's website.

The Board will hold a two to three day hearing scheduled for February (preferably February 26th, 27th and 28th) in regard to the Summary Suspension of AFG Auto Sales, LLC.

On January 10, 2019, the Auto Industry Division will open for business at the new permanent office location, 1697 Cole Blvd., Ste. 200, Lakewood, CO 80401.

Mr. Zulauf will agenda Best Practices for Boards and Commissions policy implementation and new fine matrix review as discussion items during the January and February Board meetings.

MINUTES

Motion was made to accept the amended minutes with the correction to include Messrs. White and Heggs recusal before the Schomp BMW matter and their return to the room prior to the Steamboat Motors, LLC matter listed on page 5 – approved unanimously.

BACKGROUND INVESTIGATIONS TEAM

Ms. Breeden presented the following to the Board:

Dealer Applications:

- **Global Autos, LLC #44327** – Motion to grant the license – approved unanimously.
- **ToCo Title #44306** – Motion to deny the license based on unfitness of financial character of one or more of the applicants – approved 7-1 (Porter opposed).

Salesperson Applications:

- **Gutierrez, Eric #179827** – Motion to grant the license – approved unanimously.
- **Martin, Ronnie Scott #183212** – Motion to grant the license – approved unanimously.
- **Salazar, Jeremy Paul #660291** – Motion to grant the license – approved unanimously.

EXECUTIVE SECRETARY REPORT

Mr. Zulauf presented the following to the Board:

- **Proposed Stipulation and Final Agency Order – AutoNation Dodge Ram Arapahoe #4410** – Motion to accept the Proposed Stipulation and Final Agency Order – approved 7-1 (Widhalm abstains).

Mr. Jones recused himself and left the room.

- **Initial Decision Upon Default – 1st Choice Motors, Used Motor Vehicle Dealer License #4208** – Motion was made to accept the Findings of Fact, Conclusions of Law and accept the recommended order to impose a fine in the amount of \$339,000.00 and to revoke the license – approved unanimously.

Mr. Jones returned to the room.

INVESTIGATIONS REPORT

Ms. Hartman presented the following to the Board:

Statistical Reporting – Ms. Hartman informed the Board that we started with 312 cases, 177 new cases were opened and 154 cases were closed for the month, giving the Division a balance of 335 open cases. There were 547 background inquiries performed.

Affidavits of Probable Cause:

- **Salims Silver Star Automobiles SVC, DL #3269** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Salims Silver Star Automobiles SVC, Dealer #3269; and that the case be assigned to the Office of Administrative Courts for a hearing on the merits and that the Executive Secretary be permitted to engage in settlement negotiations pursuant to C.R.S. 12-6-104 – approved unanimously.
- **Woodmen Nissan, DL #38911** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Woodmen Nissan, Dealer #38911; and that the case be assigned to the Office of Administrative Courts for a hearing on the merits and that the Executive Secretary be permitted to engage in settlement negotiations pursuant to C.R.S. 12-6-104 – approved unanimously.

Public Comment – None

New Business – Mr. Perkins suggested a more in-depth discussion about the definition of a wholesale license. Mr. Zulauf stated that change in legislation would be the best option when it comes to changing the definition of a wholesaler. Mr. O’Connell of CIADA supports the prospect of new legislation in this matter and will attempt action during future legislative sessions.

Mr. Perkins suggested further discussion and the possible implementation of a monitoring, tracking system in regard to dealers issuance of multiple temporary permits for the same vehicle. Ms. Rouze will ask the Drives Team if their new system has the capability to produce a report from which such information can be derived.

Ms. Bode recused herself and disconnected from the meeting.

INVESTIGATION REPORT (Ms. Hartman cont’d.)

- **Hi Tech Auto Care LLC, DL #41741** – Motion that the Board finds probable cause based upon the Affidavit of Probable Cause presented to the Board today respective to Hi Tech Auto Care LLC, Dealer #41741; and that the Colorado Motor Vehicle Dealer Board summarily suspend the motor vehicle dealer’s license in accordance with C.R.S. 24-4-104 as they have engaged in deliberate and willful acts and their conduct poses a threat to the public health, safety, and welfare – approved unanimously.

A motion was made for Delegation of Authority to be granted to the Executive Secretary to execute the Order of Summary Suspension pertaining to Hi Tech Auto Care LLC – passed unanimously.

The meeting of the Motor Vehicle Dealer Board was adjourned at 10:35 a.m.

(Note: The Minutes of the Motor Vehicle Dealer Board summarize the contents of the meeting. They are not verbatim transcripts and are based principally upon the digital recording of the meeting and upon the later collaboration of staff attendees to ensure that the summary faithfully captures the matters before the Board and the actions the Board took. The digital recording of the meeting is a permanent record of the Board, retained in the electronic filing system of the Auto Industry Division, and is available as a resource for review, as needed.)

Bruce Zulauf
Executive Secretary